

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 3 — 0 6

2. STATE:

West Virginia

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.130

7. FEDERAL BUDGET IMPACT:

a. FFY -0- \$ -0-
b. FFY -0- \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19B
Page 3a9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:

This amendment corrects an error in 4-19B, page 3, submitted with state plan
amendment 01-13 that resulted in omission of the third chart on that page.

11. GOVERNOR'S REVIEW (Check One):

- ☒
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Nancy V. Atkins, MSN, RNC, NP

14. TITLE:

Commissioner

15. DATE SUBMITTED:

5-12-03

16. RETURN TO:

Nancy V. Atkins, MSN, RNC, NP
Commissioner
Bureau for Medical Services
350 Capitol Street, Room 251
Charleston, WV 25301-3706**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

MAY 14 2003

18. DATE APPROVED:

JUL 11 2003

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

April 1, 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Mary T. McSorley

22. TITLE: Associate Regional Administrator

Division of Medicaid & Children's Health - Region III

23. REMARKS:

Example of Calculations:

Peer group of three (3) providers A, B, and C with the following data:

Provider	Beds	Patient Days	Occupancy Percentage	Allowable Treatment Cost	Cost PPD Actual
A	9	1,296	80%	\$ 77,760	60.00
B	7	1,134	90%	\$ 73,710	65.00
C	18	3,078	95%	\$153,900	50.00

For this example only, assume 180 days in six month reporting period, actual days will be utilized during actual calculations, and an increase in the inflation factor of 1%:

Peer Group Ceiling Calculation

Provider	Beds	Possible Days	Patient Days	Allowable Costs	Costs PPD @ 100% Occp	Cost Adjusted to 90% Occp	Allowable Cap Calculation
A	9	1,620	1,296	\$ 77,760	48.00	53.33	\$ 69,120
B	7	1,260	1,134	\$ 73,710	58.50	65.00	\$ 73,710
C	18	3,240	3,078	\$153,900	47.50	52.78	\$162,450
Total		6,120	5,508	\$305,370			\$ 305,280

Weighted average per patient day allowed treatment cost (\$305,280/5,508 days) of \$55.42.

Provider	PPD Cost	Reimbursement Cap	Lower of PPD Or Cap	Efficiency Incentive	1% Inflation	Specific Rate
A	60	55.42	55.42	0	0.55	55.97
B	65	55.42	55.42	0	0.55	55.97
C	50	55.42	50.00	0	0.50	50.50

(iv) Payment for Early Intervention services will be through an agreement with the state Title V agency. Payments shall be based on total cost of service provision. The Title V agency must maintain, in auditable form, all records of cost of services for which claims for reimbursement are made to the Medicaid agency. Payments to state agencies shall not exceed actual documented costs. An interim rate based on projected costs may be used as necessary with a settlement to cost at the end of the fiscal year.

(v) Private duty nursing is reimbursed on a fee-for-service based on units of time. Fees will not exceed the provider's usual and customary charge .

c. Family Planning Services and Supplies

1. Family planning clinic services are reimbursed on a cost basis for the clinic including staffing and cost of supplies dispensed to the recipients.
2. Family planning supplies as ordered by a physician and dispensed by a retail pharmacy are reimbursed as a pharmacy service.

5. a. Physicians' Services

An upper limit is established using a resource-based relative value for the procedure times a conversion factor as determined by the type of service. The conversion factors were developed using utilization and payment level data for the defined service group. Payment will be the lesser of the upper limit or the providers's customary charge for the service to the general public.